

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 - 3 - 0 - 1 - 8

2. STATE:

Indiana

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

July 2, 2003

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42CFR 440.170

7. FEDERAL BUDGET IMPACT:

a. FFY 2003 \$1 million

b. FFY 2004 \$15.8 million

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19B, Page 5

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19B, Page 5

10. SUBJECT OF AMENDMENT:

transportation reimbursement

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ OTHER, AS SPECIFIED:☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

Melanie Bella

13. TYPED NAME:

Melanie Bella

14. TITLE:

Asst Secretary, Medicaid Policy & Planning

15. DATE SUBMITTED:

16. RETURN TO:

Melanie Bella
Assistant Secretary
Office of Medicaid Policy & Planning
402 W Washington, Room W382
Indpls., IN 46204
ATTN: Tracy Brunner, State Plan Coordinator**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

5/30/03

18. DATE APPROVED:

06/10/04

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

Cheryl A. Harris

21. TYPED NAME:

Cheryl A. Harris

22. TITLE: Associate Regional Administrator
Division of Medicaid and Children's Health

23. REMARKS:

RECEIVED
MAY 30 2003
DMCH - IL/IN/OH

Transportation

Payment will be based upon the lower of the provider's submitted charge or the maximum allowed rate established by the State for the service billed. Maximum allowed rates are based on analysis of market rates paid for transportation services in Indiana and in Medicaid Programs in other comparable states. Reimbursement for covered transportation services will be as follows:

Taxi Services: Lower of metered or zoned rate or maximum.

Commercial Ambulatory Services (non-taxi): Base rate + mileage payments beyond a specified number of miles.

Non-Ambulatory Services: Base rate + mileage payments beyond a specified number of miles.

Ambulance Services: Loading fee + mileage payments.

A supplemental payment will be made to a provider for ambulance transportation services. The supplemental payments will be made on a quarterly basis, in an amount which, when combined with other payments under the plan, does not exceed the providers' usual charges. For purposes of this payment, usual charges, for the State Fiscal Year beginning July 1, 2003, will be defined as follows:

- a. The average of the following amounts: amounts billed to cash paying patients; the amounts billed to patients covered by indemnity insurers with which the provider has no contractual arrangement; and fee-for-service rates it contractually agrees to accept from any payor, including any discounted fee-for-service rates negotiated with managed care plans.
- b. Amounts not included in the average are charges for services provided to uninsured patients free of charge or at a substantially reduced rate, capitated payments, rates offered under hybrid fee-for-service arrangements whereby more than 10% of the individual's or entity's maximum potential compensation could be paid in the form of a bonus and/or withhold payment; and fees set by Medicare, State health care programs, and other Federal health care programs.

Usual charges will be determined by a study of ambulance providers' charges conducted by OMPP. For each SFY thereafter, each provider's usual charges will be based on the previous year's usual charges increased by the Medicare Ambulance Inflation Factor.

TN No. 03-018

Supersedes

TN No. 94-009

State of Indiana

Approval Date

FEB 11 2004

Effective Date July 2, 2003

Attachment 4.19-B

Page 5a

The payment will be made only for ambulance services, and neither for non-ambulatory services nor commercial ambulatory services. The payment will be equal to the amount under STEP SIX below, which is calculated as follows:

STEP ONE: The Office of Medicaid Policy and Planning (Office) shall identify Medicaid providers that received reimbursement for ambulance transportation during the quarter.

STEP TWO: For each Medicaid provider described in STEP ONE, the Office shall identify the ambulance transportation services for which the Medicaid provider was reimbursed.

STEP THREE: For each Medicaid provider described in STEP ONE, the Office shall calculate the reimbursement paid to the Medicaid provider for the ambulance transportation services identified under STEP TWO.

STEP FOUR: For each Medicaid provider described in STEP ONE, the office shall calculate the Medicaid provider's usual charges for each of the Medicaid provider's services identified under STEP TWO.

STEP FIVE: For each Medicaid provider described in STEP ONE, the Office shall subtract an amount equal to the reimbursement calculation for each of the ambulance transportation services under STEP THREE from an amount equal to the amount calculated for each of the ambulance transportation services under STEP FOUR.

STEP SIX: For each Medicaid provider described in STEP ONE, the Office shall calculate the sum of each of the amounts calculated for each ambulance transportation services under STEP FIVE.

In the event that available funds eligible for federal financial participation are insufficient to provide the full state share for a provider's payment as calculated using the steps above, the payment will be reduced in proportion to that deficiency.

Reimbursement is also available for oxygen used during ambulance transport and waiting time for certain trips.

Community Mental Health Rehabilitation Services

Payment will be based upon the lower of the provider's submitted charge or the OMPP maximum allowance for the procedure billed. Maximum allowances are established by the Department of Mental Health based upon a review of like charges by similar providers throughout the State.

TN No. 03-018
Supersedes
TN No. new

Approval Date FEB 02 2004

Effective Date July 2, 2003